



UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

ENTERED
08/06/2009

IN RE: §
NORTH BAY GENERAL HOSPITAL, INC., §
DEBTOR. §

CASE NO. 08-20368
(CHAPTER 11)

ORDER APPROVING COMPROMISE CONTROVERSY

[Schuyler G. Carroll, Unsecured Creditor Agent's Appeal of this Court's December 22, 2008 Order Confirming North Bay General Hospital, Inc.'s Ownership of Causes of Action Against AMT Group, Inc. and Thomas McNaull [Docket No. 187] to the Fifth Circuit Court of Appeals. Circuit Court Case No. 09-20264]
(relates to docket no. 359)

The Court has considered North Bay General Hospital, Inc.'s (the "Hospital") Motion to Compromise Controversy Under Rule 9019 of the Federal Rules of Bankruptcy Procedure. The proposed compromise meets the requirements for a compromise as outlined in *Protective Comm. for Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414 (1968) and should be approved. The Court finds that the proposed settlement is fair and equitable. The Court further finds that adequate notice of the motion and the hearing on the motion has been given to all creditors and parties-in-interest. Accordingly, it is therefore

ORDERED THAT:

1. The Motion to Compromise Controversy under Bankruptcy Rule 9019 with the UCA is **GRANTED**.
2. The Hospital will not seek sanctions against the Schuyler G. Carroll as Unsecured Creditor Agent (the "UCA") for violating the automatic stay in filing, on or about October 2, 2008, a Complaint against Thomas McNaull and AMT in the United States District Court of

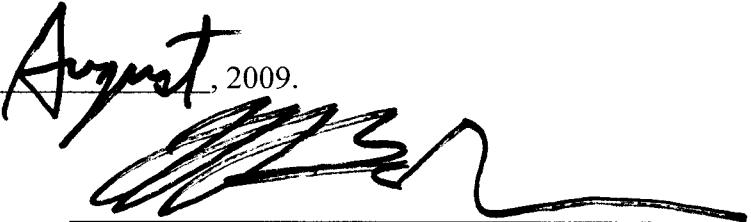
Georgia seeking to prosecute the AMT Avoidance Actions (as the term was defined in the Hospital's 2005 Plan).

3. The UCA will not prosecute the appeal of this Court's December 22, 2008 Order, which appeal is subject to reinstatement in the Fifth Circuit Court of Appeals.

4. All parties to this compromise and settlement shall execute and deliver all documents reasonably necessary to effectuate the intent of this compromise and settlement.

5. This settlement will have no effect upon the claims and defenses asserted in Adversary No. 08-3422.

SIGNED this 5th day of August, 2009.



JEFF BOHM
UNITED STATES BANKRUPTCY JUDGE

AGREED, APPROVED AND ENTRY REQUESTED:

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